## Virginia Department of Mines, Minerals & Energy Virginia Gas and Oil Board

|Minutes and results of hearing, March 20, 2007

Board members present (Quorum was established): Ms. Barber, Ms. Dye, Mr. Harris, Mr. Prather, Mr. Wampler

1. The Virginia Gas and Oil Board heard a petition from CNX Gas Company, LLC for pooling of coalbed methane unit G-106, North Grundy District, Buchanan County, Virginia. Docket Number VGOB-07-0320-1892.

In the G-106 53.3-acre unit, the operator controls 66.7% of the coal and gas interests, and seeks to pool the remaining 33.3% of the interests. Unleased acreage subject to pooling totals 17.8 net acres in one tract having one unleased owner. There are no conflicting claimants or unknown owners subject to escrow. An application for permit to drill the unit has been submitted. Pooling was approved.

2. The Virginia Gas and Oil Board heard a petition from CNX Gas Company, LLC for pooling of coalbed methane unit BB-133, Maiden Springs District, Tazewell County, Virginia. Docket Number VGOB-07-0320-1893.

In the BB-133 58.74-acre unit, the operator controls 99.7% of the coal and gas interests, and seeks to pool the remaining 0.3% of the interests. Unleased acreage subject to pooling totals 1.3 net acres in one tract having 67 unleased owner. There are conflicting claimants and unknown owners subject to escrow. A permit to drill the unit was issued on 5/15/06. Pooling was approved.

3. The Virginia Gas and Oil Board heard a petition from CNX Gas Company, LLC for pooling of coalbed methane unit BC-122, New Garden District, Russell County, Virginia. Docket Number VGOB-07-0320-1894.

In the BC-122 58.74-acre unit, the applicant controls 99.4% of the coal interests and 92.3% of the gas interests, and seeks to pool the remaining 0.6% of the coal interests and 7.7% of the gas interests. Unleased coal acreage subject to pooling totals 0.4 net acres in three tracts with eight unleased owner. Unleased gas acreage totals 4.5 net acres in six tracts having 16 unleased owners. There are conflicting claimants and unknown owners subject to escrow, and conflicting claimants subject to existing split agreements. A permit to drill the unit was issued on 10/18/06. Pooling was approved.

4. The Virginia Gas and Oil Board heard a petition from CNX Gas Company, LLC for pooling of coalbed methane unit BC-123, New Garden District, Russell County, Virginia. Docket Number VGOB-07-0320-1895.

In the BC-122 58.74-acre unit, the operator controls 100% of the coal and 97.5% gas interests, and seeks to pool the remaining 2.5% of the gas interests. Unleased gas acreage subject to pooling totals 1.4 net acres in two tracts having two unleased owners. There are conflicting claimants subject to excrow and conflicting claimants subject to existing royalty split agreements. A permit to drill the unit was issued on 11/28/06. Pooling was approved.

- 5. The Virginia Gas and Oil Board heard a petition from CNX Gas Company, LLC for pooling of coalbed methane unit BC-124, New Garden District, Russell County, Virginia. Docket Number VGOB-07-0320-1896.
- In the BC-124 58.74-acre unit, the operator controls 100% of the coal and 91.1% gas interests, and seeks to pool the remaining 8.9% of the gas interests. Unleased gas acreage subject to pooling totals 5.3 net acres in two tracts having six unleased owners. There are conflicting claimants subject to excrow and conflicting claimants subject to existing royalty split agreements. A permit to drill the unit was issued on 1/29/07. Pooling was approved.
- 6. The Virginia Gas and Oil Board heard a petition from CNX Gas Company, LLC for pooling of coalbed methane unit BD-124, New Garden District, Russell County, Virginia. Docket Number VGOB-07-0320-1897.

In the BD-124 58.74-acre unit, the operator controls 100% of the coal and 92.0% gas interests, and seeks to pool the remaining 8.0% of the gas interests. Unleased gas acreage subject to pooling totals 4.7 net acres in one tract having one unleased owners. There are conflicting claimants subject to escrow. A permit to drill the unit was issued on 3/5/07. Pooling was approved.

7. The Virginia Gas and Oil Board heard a petition from CNX Gas Company, LLC for pooling of coalbed methane unit BG-99, Hurricane District, Buchanan County, Virginia. Docket Number VGOB-07-0320-1898.

In the BG-99 58.77-acre unit, the operator controls 100% of the coal and 33.7% gas interests, and seeks to pool the remaining 66.3% of the gas interests. Unleased gas acreage subject to pooling totals 41.9 net acres in three tracts having two unleased owners. There are conflicting claimants subject to excrow and conflicting claimants subject to existing royalty split agreements. A permit to drill the unit was issued on 1/8/07. Pooling was approved.

8. The Virginia Gas and Oil Board heard a petition from CNX Gas Company, LLC for pooling of coalbed methane unit XXX-20, North Grundy District, Buchanan County, Virginia. Docket Number VGOB-07-0320-1899.

In the XXX-20 77.74-acre unit, the operator controls 78.9% of the coal and gas interests, and seeks to pool the remaining 21.1% of the interests. Unleased acreage subject to pooling totals 16.4 net acres in one tract having one unleased owner. There are no conflicting claimants subject to escrow. A permit to drill the unit was issued on 11/20/06. Pooling was approved.

9. The Virginia Gas and Oil Board heard a petition from Appalachian Energy, Inc. for pooling of coalbed methane unit G-35, Garden District, Buchanan County, Virginia. Docket Number VGOB-07-0320-1901.

In the G-35 80.25-acre unit, the operator controls 94.97% of the coal and 100% gas interests, and seeks to pool the remaining 5.03% of the coal interests. Unleased coal acreage subject to pooling totals 4.04 net acres in one tract having four unleased owners. There are no conflicting claimants subject to escrow. No application for permit to drill the unit has been submitted. Pooling was approved.

10. The Virginia Gas and Oil Board heard a petition from Dart Oil and Gas Corporation pooling of conventional unit Sherman 042801, Clearfork District, Tazewell County, Virginia. Docket Number VGOB-07-0320-1902.

In the 042801 200-acre conventional gas unit, the applicant controls 58.5% of the oil and gas interests, and seeks to pool the remaining 41.5% of the interests. Unleased acreage subject to pooling totals 82.9 net acres in 37 tracts having 28 unleased owners. There are unlocated owners subject to escrow. An application for permit to drill the unit has been submitted. Pooling was approved.

11. The Virginia Gas and Oil Board heard a petition from Equitable Production Company for pooling of coalbed methane unit VC-537629, Kenady District, Dickenson County, Virginia. Docket Number VGOB-07-0320-1903.

In the VC-537629 58.77-acre unit, the operator controls 100% of the coal and 89.3% gas interests, and seeks to pool the remaining 10.7% of the gas interests. Unleased gas acreage subject to pooling totals 6.2 net acres in one tract having one unleased owners. There are conflicting claimants subject to escrow. An application for permit to drill the unit has been submitted. Pooling was approved.

12. The Virginia Gas and Oil Board heard a petition from Equitable Production Company for pooling of coalbed methane unit VC-537212, Kenady District, Dickenson County, Virginia. Docket Number VGOB-07-0320-1904.

In the VC-537212 58.77-acre unit, the operator controls 100% of the coal and 91.2% gas interests, and seeks to pool the remaining 8.8% of the gas interests. Unleased gas acreage subject to pooling totals 5.2 net acres in one tract having one unleased owners. There are conflicting claimants subject to escrow. No application for permit to drill the unit has been submitted. Pooling was approved.

13. The Virginia Gas and Oil Board heard a petition from Equitable Production Company for pooling of coalbed methane unit VC-537637, Kenady District, Dickenson County, Virginia. Docket Number VGOB-07-0320-1905.

In the VC-537637 58.77-acre unit, the operator controls 100% of the coal and 96.1% gas interests, and seeks to pool the remaining 3.9% of the gas interests. Unleased gas acreage subject to pooling totals 2.3 net acres in five tracts having four unleased owners. There are conflicting claimants subject to escrow. An application for permit to drill the unit has been submitted. Pooling was approved.

14. The Virginia Gas and Oil Board heard a petition from Equitable Production Company for pooling of coalbed methane unit VC-537258, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-07-0320-1906.

In the VC-537258 58.77-acre unit, the operator controls 94.8% of the coal and gas interests, and seeks to pool the remaining 5.2% of the interests. Unleased acreage subject to pooling totals 3.1 net acres in one tract having one unleased owner. There are no conflicting claimants subject to escrow. An application for permit to drill the unit has been submitted. Pooling was approved.

15. The Virginia Gas and Oil Board heard a petition from Pine Mountain Oil and Gas, Inc. for pooling of coalbed methane unit Lovers Gap 37, Unit 77-Z, Prater District, Buchanan County, Virginia. Docket Number VGOB-07-0320-1907.

In the 77-Z 58.77-acre unit, the operator controls 100% of the coal and 57.1% gas interests, and seeks to pool the remaining 42.9% of the gas interests. Unleased gas acreage subject to pooling totals 25.2 net acres in six tracts having 11 unleased owners. There are conflicting claimants subject to escrow. An application for permit to drill the unit has been submitted. Continued to April hearing.

16. The Virginia Gas and Oil Board heard a petition from Pine Mountain Oil and Gas, Inc. for pooling of coalbed methane unit Lovers Gap 44, Unit N(-4), Prater District, Buchanan County, Virginia. Docket Number VGOB-07-0320-1908.

In the 77-Z 80-acre unit, the operator controls 100% of the coal and 97.7% gas interests, and seeks to pool the remaining 2.3% of the gas interests. Unleased gas acreage subject to pooling totals 1.8 net acres in four tracts having two unleased owners. There are conflicting claimants subject to escrow. An application for permit to drill the unit has been submitted. The application was withdrawn.

The Virginia Gas and Oil Board called for public comments regarding Board matters immediately following the final Docket item. No comments were heard.

Information concerning the above Docket items can be viewed from 8 a.m. to 5 p.m., Monday through Friday at the Office of the Department of Mines, Minerals and Energy, Division of Gas and Oil, 230 Charwood Drive, Abingdon, Virginia. All questions concerning the agenda should be directed to the Division of Gas and Oil by telephoning 276-676-5423 or e-mail <a href="mailto:bob.wilson@dmme.virginia.gov">bob.wilson@dmme.virginia.gov</a>.

Special accommodations for the disabled will be made available at the hearing on request. Anyone needing special accommodations for the March hearing should contact the Department of Mines, Minerals and Energy, Division of Gas and Oil at 276-676-5423 or call the Virginia Relay Center TTY/TDD 1-800-828-1120 or 1140 by March 14, 2007. The deadline for filing of petitions to the Board for the April 2007 hearing is 5 p.m., Friday, March 16, 2007 with the hearing scheduled for 9 a.m. on Tuesday, April 17, 2007 at the Southwest Virginia Higher Education Center, Abingdon, Virginia.